



## **DEPARTMENT OF TRANSPORTATION**

### **National Highway Traffic Safety Administration**

#### **Petition for Exemption from the Vehicle Theft Prevention Standard; Volkswagen Group of America, Inc.**

**AGENCY:** National Highway Traffic Safety Administration (NHTSA),  
Department of Transportation (DOT).

**ACTION:** Grant of petition for exemption.

**SUMMARY:** This document grants in full the Volkswagen Group of America, Inc.'s (Volkswagen's) petition for exemption of the Audi TT vehicle line in accordance with 49 CFR Part 543, Exemption from the Theft Prevention Standard. This petition is granted because the agency has determined that the antitheft device to be placed on the line as standard equipment is likely to be as effective in reducing and deterring motor vehicle theft as compliance with the parts-marking requirements of 49 CFR Part 541, Federal Motor Vehicle Theft Prevention Standard (Theft Prevention Standard).

**DATES:** The exemption granted by this notice is effective beginning with the 2016 model year (MY).

**FOR FURTHER INFORMATION CONTACT:** Ms. Deborah Mazyck, Office of International Policy, Fuel Economy and Consumer Programs, NHTSA, West Building, W43-443, 1200 New Jersey Avenue, S.E., Washington, D.C. 20590. Ms. Mazyck's phone number is (202) 366-4139. Her fax number is (202) 493-2990.

**SUPPLEMENTARY INFORMATION:** In a petition dated January 9, 2015, Volkswagen requested an exemption from the parts-marking requirements of the Theft Prevention Standard for the Audi TT vehicle line beginning with MY 2016. The petition requested an exemption from parts-marking pursuant to 49 CFR Part 543, Exemption from Vehicle Theft Prevention Standard, based on the installation of an antitheft device as standard equipment for the entire vehicle line.

Under 49 CFR Part 543.5(a), a manufacturer may petition NHTSA to grant an exemption for one vehicle line per model year. In its petition, Volkswagen provided a detailed description and diagram of the identity, design, and location of the components of the antitheft device for the Audi TT vehicle line. Volkswagen stated that the MY 2016 Audi TT will be installed with its fifth generation, transponder-based electronic engine immobilizer antitheft device as standard equipment on the entire vehicle line. Volkswagen stated that its immobilizer device is aimed to actively incorporate the engine control unit and the automatic gearbox into the evaluation and monitoring processes. Key components of the antitheft device will include an engine control unit, instrument cluster, gateway, automatic gearbox, and an adapted transponder ignition key (key fob). Volkswagen stated that keyless entry and locking control will be available as standard equipment on the entire Audi TT vehicle line. Volkswagen stated that the keyless entry and locking control uses a transponder key that allows the doors to be locked by touching a button on the outside door handle of the vehicle, or to be opened by touching the outside door handle when the key fob is near the door. Volkswagen also stated that its antitheft device will include an audible and visible alarm system as standard equipment on the entire line. Volkswagen's submission is considered a complete petition as required by 49 CFR 543.7, in that it meets the general requirements contained in §543.5 and the specific content requirements of §543.6.

Volkswagen stated that the immobilizer device is activated automatically after the engine is switched off. Deactivation of the immobilizer device occurs when the ignition is turned on or the key fob is recognized by the immobilizer control unit. Specifically, when turning on the ignition on/off switch, the key transponder sends a fixed code to the immobilizer control unit. If this is identified as the correct code, a variable code is generated in the immobilizer control unit and sent to the transponder. A secret arithmetic process is then started according to a set of specific equations. The results of the computing process are evaluated in the control unit and, if verified, the vehicle key is acknowledged as correct. The engine control unit and the automatic gearbox then sends a variable code to the immobilizer control unit for mutual identification. If all the data matches, start-up of the vehicle is enabled. Volkswagen stated that a new variable code is generated every time the immobilizer goes through the secret computing process. Therefore, Volkswagen stated that it believes the code is undecipherable.

Activation of the audible and visible alarm system occurs when the “lock” button on the key fob is pressed, the driver’s door is locked, or when the vehicle is locked by using the keyless entry and locking control. When the system is activated, the horn will sound and the vehicle’s exterior lights will flash when unauthorized entry is attempted by opening the hood, doors, or luggage compartment. Volkswagen also stated that deactivation of the audible and visible alarm system is performed by unlocking the vehicle doors with the key fob, using the mechanical key in the driver’s door lock cylinder, or opening the vehicle using the keyless entry and locking control.

In addressing the specific content requirements of 543.6, Volkswagen provided information on the reliability and durability of its proposed device. To ensure reliability and durability of the device, Volkswagen stated that the antitheft device has been tested for

compliance to its corporate requirements, including those for electrical and electronic assemblies in motor vehicles related to performance.

In support of its belief that its antitheft device will be as or more effective in reducing and deterring vehicle theft than the parts-marking requirement, Volkswagen referenced the effectiveness of immobilizer devices installed on other vehicles for which NHTSA has granted exemptions. Specifically, Volkswagen referenced information from the Highway Loss Data Institute that showed that BMW vehicles experienced theft loss reductions resulting in a 73% decrease in relative claim frequency and a 78% lower average loss payment per claim for vehicles equipped with an immobilizer. Additionally, Volkswagen stated that the proposed device is similar to the antitheft device installed on its Audi A3, A4, and Q3 vehicle lines. The agency granted in full the petition for the Audi A3 vehicle line beginning with model year 2010, (see 74 FR 10984, March 13, 2009), the Audi A4 vehicle line (see 71 FR 4966, January 30, 2006), and the Audi Q3 vehicle line beginning with model year 2015 (see 78 FR 50489, August 19, 2013). The agency notes that the average theft rate for the Audi A3 and A4 vehicle lines using three MYs' data (MYs 2010 through 2012) are 1.1974 and 0.6096 respectively. Current theft rate data is not available for the Audi Q3 vehicle line. Volkswagen also submitted information showing that the theft rates published by NHTSA indicated that the Audi TT had very low theft rates for MYs 2010 through 2012. Specifically, theft rates for the Audi TT vehicle line for MYs 2010 through 2012 are 0.8326, 0.000, and 0.000 respectively.

The agency agrees that the device is substantially similar to devices installed on other vehicle lines for which the agency has already granted exemptions.

Pursuant to 49 U.S.C. 33106 and 49 CFR 543.7 (b), the agency grants a petition for exemption from the parts-marking requirements of Part 541, either in whole or in part, if it

determines that, based upon substantial evidence, the standard equipment antitheft device is likely to be as effective in reducing and deterring motor vehicle theft as compliance with the parts-marking requirements of Part 541. The agency finds that Volkswagen has provided adequate reasons for its belief that the antitheft device for the Audi TT vehicle line is likely to be as effective in reducing and deterring motor vehicle theft as compliance with the parts-marking requirements of the Theft Prevention Standard (49 CFR Part 541). This conclusion is based on the information Volkswagen provided about its antitheft device.

Based on the evidence submitted by Volkswagen, the agency believes that the antitheft device for the Audi TT vehicle line is likely to be as effective in reducing and deterring motor vehicle theft as compliance with the parts-marking requirements of the Theft Prevention Standard (49 CFR 541). The agency concludes that the device will provide four of the five types of performance listed in §543.6(a)(3): promoting activation, preventing defeat or circumvention of the device by unauthorized persons, preventing operation of the vehicle by unauthorized entrants, and ensuring the reliability and durability of the device.

For the foregoing reasons, the agency hereby grants in full Volkswagen's petition for exemption for the Volkswagen Audi TT vehicle line from the parts-marking requirements of 49 CFR Part 541. The agency notes that 49 CFR Part 541, Appendix A-1, identifies those lines that are exempted from the Theft Prevention Standard for a given model year. 49 CFR Part 543.7(f) contains publication requirements incident to the disposition of all Part 543 petitions. Advanced listing-- including the release of future product nameplates, the beginning model year for which the petition is granted, and a general description of the antitheft device-- is necessary in order to notify law enforcement agencies of new vehicle lines exempted from the parts-marking requirements of the Theft Prevention Standard.

NHTSA notes that if Volkswagen wishes in the future to modify the device on which this exemption is based, the company may have to submit a petition to modify the exemption. Part 543.7(d) states that a Part 543 exemption applies only to vehicles that belong to a line exempted under this part and equipped with the antitheft device on which the line's exemption is based. Further, Part 543.9(c)(2) provides for the submission of petitions "to modify an exemption to permit the use of an antitheft device similar to but differing from the one specified in that exemption."

The agency wishes to minimize the administrative burden that Part 543.9(c)(2) could place on exempted vehicle manufacturers and itself. The agency did not intend in drafting Part 543 to require the submission of a modification petition for every change to the components or design of an antitheft device. The significance of many such changes could be *de minimis*. Therefore, NHTSA suggests that if the manufacturer contemplates making any changes, the effects of which might be characterized as *de minimis*, it should consult the agency before preparing and submitting a petition to modify.

Under authority delegated in 49 CFR part 1.95.

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Raymond R. Posten  
Associate Administrator for  
Rulemaking

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